Nixon Benefits From Tax Experience

By Jack Anderson

As a young attorney in the late 1930s, Richard Nixon specialized in federal tax law, which made him an expert in how legally to avoid paying taxes.

It was a specialty that served him well after he became President and acquired a million-dollar estate at San Clemente, Calif.

A Providence, R.I., reporter named Jack White has dug out the fact that the President paid an income tax of only $792.81 in 1970 and $878.03 in 1971, although he collected a $200,000 yearly salary. We have now confirmed White's figures from our own confidential sources.

Like everyone else, the President's taxes are withheld from his salary. He is also required to pay quarterly estimated taxes on additional income. In 1970, he received a whopping $72,616.43 tax refund; in 1971, his refund was $58,889.41.

In other words, the President—with his huge salary, his kingly estates at San Clemente and Key Biscayne, his government limousines, helicopters, planes and boats—paid less taxes than a family of three earning only $8,500 a year.

The President got away with this giant tax break, apparently, by claiming deductions for mortgage-interest payments, real estate taxes and the gift of his vice presidential papers to the National Archives.

The Internal Revenue Service, no doubt with some trepidation, audited the President's tax returns for 1971 and 1972. The White House has refused further comment, except to say that the IRS accepted his returns without change.

Presumably, therefore, the IRS accepted the deductions Mr. Nixon claimed for the interest payments on the loans he received to finance the San Clemente purchase. He borrowed $625,000 from his rich friend, Robert Abplanalp, to meet the down payment and renovation costs. (Most of the renovations, however, were paid by the taxpayers.)

Subsequently, Abplanalp canceled the $625,000 debt in return for the deed to the outer circle of the San Clemente property. Mr. Nixon kept title to the heart of the estate and continued to use the property belonging to Abplanalp. The financial details are complicated. But they boil down to this: Abplanalp put up most of the money for the San Clemente purchase, but the President wound up with the most valuable portion of the estate.

Under these circumstances, tax experts have told us, Mr. Nixon should count the canceled $625,000 debt, or at least most of it, as income.

The tax regulations, of course, are subject to different interpretations. They are, indeed, almost beyond human comprehension. The volumes of regulations and interpretations would fill a small library. The table of contents alone runs 1,032 pages.

But we have talked to experts who strongly disagree with the IRS and believe the President has not paid his fair share of the taxes. California's Gov. Ronald Reagan, an acknowledged millionaire with a $50,000 annual state salary, has also admitted that he paid no federal or state taxes whatever two years ago.

Yet both Mr. Nixon and Gov. Reagan have opposed tax reforms that would lighten the burden for the small taxpayers.

Footnote: It was the acceptance of financial favors, ironically, that got Spiro Agnew in trouble for tax evasion.

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